



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

February 22, 2013

THOMAS W. HILTACHK, TREASURER
SPIRIT OF DEMOCRACY AMERICA
455 CAPITOL MALL, SUITE 600
SACRAMENTO, CA 95814

Response Due Date
03/29/2013

IDENTIFICATION NUMBER: C00521211

REFERENCE: AMENDED 12 DAY PRE-GENERAL REPORT (10/01/2012 -
10/17/2012), RECEIVED 01/30/2013

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 6 item(s):

1. Your amended report discloses a decrease in disbursements totaling \$25,000 on Line(s) 24 of the Detailed Summary Page from those disclosed on your original report. Please amend your report(s) or provide an explanation for the apparent discrepancy. (11 CFR § 104.3)
2. Schedule A supporting Line 11(a)(i) of your report (see attached) discloses one or more contributions which appear to exceed the limits set forth in the Act. 2 U.S.C. §441a(f) and 11 CFR §§110.1(d) and 110.2(d) prohibit a committee and its affiliates from receiving any contribution from another political committee or person in excess of \$5,000 per calendar year.

If any apparently excessive contribution in question was incompletely or incorrectly disclosed, you must amend your original report with the clarifying information.

If any contribution you received exceeds the limits, you may have to refund the excessive amount. The funds can be retained if within 60 days of receipt, (1) the excessive amount was properly reattributed to another person, such as a joint account holder, by obtaining signed written authorizations from each person making the contribution pursuant to 11 CFR 110.1(k)(3), and (2) the treasurer informs the person making the contribution that he or she may request the return of the excessive portion of the contribution if it is not intended to be

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a joint contribution. Any request from a donor for a refund must be honored.

Alternatively, the funds can be retained if within 60 days of receipt you (1) transferred the excessive amount to an account not used to influence federal elections, and (2) provided written notice to the person making the contribution of the option of receiving a refund. Any request from a donor for a refund must be honored.

If the foregoing conditions for reattributions or transfers to a non-federal account were not met within 60 days of receipt, the excessive amount must be refunded.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for any transfer-out or refund. In addition, any reattributions should be reported as memo entries on Schedule A of the report covering the period during which the authorization for the reattribution is received. Any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report during which the transaction was made.

Although the Commission may take further legal action regarding the acceptance of an excessive contribution(s), prompt action by your committee to seek reattribution, transfer-out or refund the excessive amount will be taken into consideration.

3. Your committee has filed a 48 hour report(s) for an independent expenditure(s) supporting "Paul Cook" and "Abel Malonado" (see attached) which has not been itemized on Schedule E supporting Line 24 of the Detailed Summary Page. Please be advised that independent expenditures disclosed on 48 hour reports must also be itemized on a corresponding Schedule E or MEMO Schedule E and Schedule D (if applicable), in the appropriate reporting period. Further, if the actual payment(s) for the independent expenditure(s) occurs after the date of dissemination, the appropriate report(s) should continue to show payment on Schedule E and Schedule D, until the debt is fully extinguished. Please amend your report and any subsequent reports that may be affected by this correction. (11 CFR §104.4)

4. Schedule E of your report indicates that your committee may have failed to file one or more of the required 48 hour report(s) for independent expenditures (see attached). A political committee must file a 48 hour report with the Federal Election Commission as specified in 11 CFR §104.4(b), within 48 hours of any independent expenditures aggregating \$10,000 or more with

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respect to a given election, made any time during the calendar year up to and including the 20th day before an election. The report must be received by the Commission by 11:59 p.m. on the second day following the date on which independent expenditures that aggregate \$10,000 or more are publicly distributed or disseminated. These expenditures must then be fully itemized on Schedule E, or as memo entries on Schedule E and reflected on Schedule D if distributed or disseminated prior to payment, of the next report required to be filed by the committee. Although the Commission may take further action concerning this matter, your prompt response will be taken into consideration. (11 CFR §104.3(b))

5. Your committee filed 48 hour reports informing the Commission of independent expenditures made in support or opposition of federal candidates with "McNally Temple Associates, Inc." and "Voter/Consumer Research, Inc." as the payee(s). However, the amounts disclosed on these reports do not appear to correlate with the entries on Schedule E, supporting Line 24 for the reporting period. If your committee has filed 48 hour reports supporting independent expenditures not reflected on your reports, you must file Schedule E during the appropriate reporting period to disclose these payments. Please amend your report to clarify this discrepancy and provide further information concerning these reports. (11 CFR §104.4)

6. Schedule E of your report discloses the Calendar Year-To-Date Per Election for Office Sought total for the 2012 General Election in CA-24 to be \$472,881.88. However, FEC calculations disclose this amount(s) to be \$501,609.76. Please amend your report to clarify this discrepancy. (2 U.S.C. § 434(b)(4) and 11 CFR §104.4(f))

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

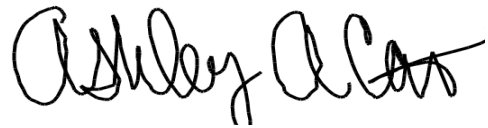
Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the

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Reports Analysis Division) or my local number (202) 694-1173.

Sincerely,

A handwritten signature in black ink, appearing to read "Ashley Carter". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Ashley Carter
Senior Campaign Finance Analyst
Reports Analysis Division

Excessive, Prohibited, and Impermissible Contributions
Spirit of Democracy America (C00521211)

Excessive Contributions from Individuals

Contributor Name	Date	Amount	Report
Charles Munger, Jr.	5/17/12	\$117,000.00	2012 July Quarterly
Charles Munger, Jr.	6/28/12	\$14,000.00	2012 July Quarterly
Charles Munger, Jr.	9/12/12	\$150,000.00	2012 October Quarterly
Charles Munger, Jr.	10/5/12	\$800,000.00	2012 12 Day Pre-General
Charles Munger, Jr.	10/15/12	\$300,000.00	2012 12 Day Pre-General
San Manuel Band of Mission Indians	5/30/12	\$50,000.00	2012 July Quarterly
San Manuel Band of Mission Indians	10/9/12	\$100,000.00	2012 12 Day Pre-General
Santa Ynez Band of Mission Indians	10/12/12	\$15,000.00	2012 12 Day Pre-General

Missing Schedule E (48 Hour Report)
Spirit of Democracy America (C00521211)

Name of Payee	Date	Amount	Candidate	Election
Voter/Consumer Research, Inc.	10/6/12	\$11,000.00	Paul Cook	G2012
Voter/Consumer Research, Inc.	10/9/12	\$11,000.00	Abel Maldonado	G2012

Missing 48 Hour Report (Schedule E)
Spirit of Democracy America (C00521211)

Name of Payee	Date	Amount	Candidate	Election
McNally Temple Associates, Inc.	10/9/12	\$4,575.00	Abel Maldonado	G2012
McNally Temple Associates, Inc.	10/16/12	\$19,481.49	Abel Maldonado	G2012
McNally Temple Associates, Inc.	10/16/12	\$18,729.26	Abel Maldonado	G2012
McNally Temple Associates, Inc.	10/17/12	\$1,667.00	Abel Maldonado	G2012
McNally Temple Associates, Inc.	10/17/12	\$1,666.00	Paul Cook	G2012